

RECEIVED  
LEGISLATIVE AUDITOR  
2001 JAN -2 AM 11:57

**OUACHITA PARISH SCHOOL BOARD**

**SINGLE AUDIT REPORTING PACKAGE  
YEAR ENDED JUNE 30, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01/17/01

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SINGLE AUDIT REPORTING PACKAGE  
JUNE 30, 2000**

**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents -----	i
Financial Section	
Independent Auditors' Report -----	1
<b>Required Supplemental Information (Part A)</b>	
Management's Discussion and Analysis (MD&A) -----	4
<b>Basic Financial Statements</b>	
Government -- Wide Financial Statements (GWFS):	
Statement of Net Assets -----	18
Statement of Activities -----	19
Fund Financial Statements (FFS):	
Government Funds:	
Balance Sheet -----	21
Reconciliation of the Government Funds Balance Sheet to the Statement of Net Assets -----	23
Statement of Revenues, Expenditures, and Changes in Fund Balance -----	25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, Changes in Fund Balances to the Statement of Activities ----	27
Proprietary Fund -- Internal Service Fund:	
Statement of Net Assets -----	29
Comparative Statement of Revenues, Expenses and Changes in Net Assets -----	30
Comparative Statement of Cash Flows -----	31
Fiduciary Funds -- Agency Funds --	
Statement of Net Assets -----	32

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SINGLE AUDIT REPORTING PACKAGE  
JUNE 30, 2000**

**TABLE OF CONTENTS (Continued)**

	<u>Page</u>
Notes to the Basic Financial Statements:	
Index -----	33
Notes -----	35
<b>Required Supplemental Information (Part B)</b>	
Budgetary Comparison Schedule -----	59
General Fund (Non-GAAP Basis) -----	61
Major Special Revenue Funds With Legally Adopted Budgets (GAAP Basis):	
Supplemental Salaries Sales Tax -- 1% -----	67
Supplemental Salaries Sales Tax - .5% -----	68
West Ouachita Sales Tax -----	69
District #1 Sales Tax -----	70
Title I -----	71
Notes to Budgetary Comparison Schedules -----	72
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards -----	75
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A -- 133 -----	77
Schedule of Expenditures of Federal Awards -----	79
Notes to Schedule of Expenditures of Federal Awards -----	81
Schedule of Findings and Questioned Costs -----	82
Summary Schedule of Prior Year Findings -----	83



Luffey  
Huffman  
& Monroe

(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA  
Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA  
Carolyn A. Clarke, CPA

## INDEPENDENT AUDITORS' REPORT

### **Ouachita Parish School Board Monroe, Louisiana**

We have audited the accompanying basic financial statements of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2000, as listed in the Financial Section of the Table of Contents. These basic financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the School Board has elected to early implement Governmental Accounting Standards Board (GASB) Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*. These pronouncements have altered the recognition of certain nonexchange revenues and the form and content of the basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2000 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The information presented in the Financial Section of the Table of Contents labeled "Required Supplemental Information (Part A)" and "Required Supplemental Information (Part B)" is not a required part of the basic financial statements of the School Board but is supplementary

**Ouachita Parish School Board  
Independent Auditors' Report**

information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and express no opinion on it.

The financial information for the previous year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the basic financial statements of the School Board.

A handwritten signature in black ink, appearing to read "Ruffin, Hoffman & Kenner".

(A Professional Accounting Corporation)

DECEMBER 15, 2000

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2000**

**REQUIRED SUPPLEMENTAL INFORMATION  
(PART A)**



OUACHITA PARISH SCHOOL BOARD  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2000

Management's discussion and analysis of the Ouachita Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2000. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the transmittal letter, the notes to the basic financial statements and the financial statements, which are all included in this report, to enhance their understanding of the Ouachita Parish School Board's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the School Board has elected to exclude the information in this report. Subsequent reports will include the comparative information.



Financial Highlights

- ◆ Net assets increased for the fiscal year 2000 over 1999 by \$31,822,236. This represents a 70.9 percent increase.
- ◆ Total revenues for the fiscal year amounted to \$135,907,650. General revenues accounted for \$121,679,280 or 89.5 percent of total revenues. Charges for services, operating grants and contributions, and capital grants and contributions accounted for \$14,228,370 of total revenue or 10.5 percent.
- ◆ The School Board sold \$15 million in general obligation bonds during the year, thus increasing general revenues by 12.3 percent. As construction projects were not started, there was no expense to offset the \$15 million in additional general revenues.

Total expenses related to governmental activities for the fiscal year ended June 30, 2000, amounted to \$104,085,414. \$14,228,370 of the expenses was offset by charges

for services, operating grants and contributions, and capital grants and contributions. The balance of the expenses of \$89,857,044 was offset by general revenues made up mostly of property and sales taxes and state minimum foundation program funding (MFP).

- ◊ The school board entered into construction contracts totaling \$39,053,317 during the year.
- ◊ The General Fund, a major fund, increased its fund balance by \$3,015,362 to \$8,608,756. This represents a 53.9 percent increase in fund balance. The increase is due mainly to increased state MFP funding and to a smaller extent to increases in property and sales taxes. The fund balance of West Ouachita Sales Tax Special Revenue Fund, a major fund, increased by \$5,068,773 or 56.4 percent. This increase is due to saving the revenue in this fund to supplement the construction projects when the bond proceeds have been expended.



#### Using this Comprehensive Annual Financial Report (CAFR)

This CAFR consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ouachita Parish School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board. These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is Ouachita Parish School Board's most significant fund.



#### Reporting the School Board as a Whole

##### Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the fiscal year 2000. In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis



of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors effecting the School Board include the parish's sales and property tax bases and the state and federal government's continued funding.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and feeding programs.



## Reporting the School Board's Most Significant Funds

### Fund Financial Statements

The analysis of the School Board's major funds begins on page 21. Fund financial reports provide detailed information about the School Board's major funds. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Board's most significant funds. The School District's major governmental funds are the General Fund; the Supplemental Salaries Sales Tax-1%, Supplemental Salaries Sales Tax-5%, West Ouachita Sales Tax, District #1 Sales Tax, Title 1 Special Revenue Funds; and the East Ouachita, East Ouachita No. 2, West Ouachita, and West Ouachita No. 2 Capital Projects Funds.

### Governmental Funds

Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Proprietary Funds

The School Board is self-insured for worker's compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Internal Service Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported on pages 29 through 31 in a separate section consisting of a Statement of Net Assets; a Comparative Statement of Revenues, Expenses, and Changes in Net Assets; and a Comparative Statement of Cash Flows.



### The School Board as Trustee

#### Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activity funds and the Migrant Education funds of other parishes. All of the School Board's fiduciary activities are reported in a separate Statement of Net Assets on page 18. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

#### The School Board as a Whole

The School Board's net assets were \$76.7 million. Of this amount, the School Board had restricted net assets of \$67.4 million. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The School Board's net assets also include \$21.4 million of designated balances. Designated balances have been designated by the School Board for specific uses. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

**Table 1**  
**Governmental Activities**  
**Net Assets**  
**(In Millions)**

<b>Assets</b>	
Current and other assets	\$113.7
Capital assets	85.8
Total assets	<u>199.5</u>
<b>Liabilities</b>	
Current and other liabilities	17.0
Long-term liabilities	105.8
Total liabilities	<u>122.8</u>
<b>Net assets</b>	
Invested in capital assets, net of debt	51.9
Contributed capital	1.5
Retained earnings	.2
Restricted	67.4
Unrestricted:	
Designated	21.4
Undesignated (deficit)	<u>(65.7)</u>
Total net assets	<u>\$76.7</u>

The deficit of \$65.7 million in unrestricted-undesignated assets represents the accumulated results of all past year's operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example), we would not have enough funds to pay them off. The reason for the large unrestricted -- undesignated deficit is that the School Board is in the middle of the largest construction project in the history of the School Board and has sold \$88 million in bonds the last 2 years to fund the construction projects not available for general operations. These bonds will be repaid by a 1 percent sales tax in the West Ouachita Bond District and ad valorem taxes in the East Ouachita Bond District.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 19. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

**Table 2**  
**Governmental Activities**  
**Changes in Net Assets**  
**Fiscal Year Ended June 30, 2000**  
**(in millions)**

<b>Revenues:</b>	
<b>Program revenues:</b>	
Charges for services	\$1.5
Local grants	.1
State grants and entitlements	2.4
Federal grants	10.3
<b>General revenues:</b>	
Ad valorem taxes	13.2
Sales taxes	26.8
State equalization	59.0
Interest on investments	4.9
Other general revenues	2.5
<b>Special items:</b>	
Proceeds from bond sales	15.0
Other special items -- net	.2
Total revenues	<u>135.9</u>
<b>Functions/Program Expenses:</b>	
<b>Instruction:</b>	
Regular programs	45.5
Special programs	13.6
Vocational programs	.7
Other instructional programs	1.9
Special programs	3.3
Adult/continuing education	.4
<b>Support services:</b>	
Pupil support services	2.7
Instructional staff support services	2.8
General administration	1.7
School administration	5.1
Business services	1.9
Plant services	8.7
Student transportation services	4.1
Central services	1.3
<b>Noninstructional services:</b>	
Food services operations	6.0
Community services programs	.1
Facility acquisition and construction	1.7
<b>Debt service -</b>	
Interest on long-term obligations	<u>2.6</u>
Total expenses	<u>104.1</u>
Increase in net assets	\$31.8



## Governmental Activities

As reported in the Statement of Activities on page 19, the cost of governmental activities this year was \$104.1 million. The taxpayers in the parish provided \$40 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. This revenue was up \$2.3 million due to additional millages levied in the East Ouachita Bond District to fund a new bond issue. The state contributed \$59.0 million through the Minimum Foundation Program (MFP), which is the main funding source for the School Board. The funding for this program in fiscal year 2000 increased by \$5.2 million. The East Ouachita Bond District provided \$15 million in additional funding for the School Board through the sale of bonds to supplement the construction and renovations in progress. The balance of the cost of governmental activities for the year was provided through state and Federal grants which showed little change from the previous year.

In the table below, we have presented the total cost of each of the School Board's five largest functions - regular programs, special education programs, school administration, plant services and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**  
**Year Ended June 30, 2000**  
**Governmental Activities**  
**(in millions)**

	Total Cost of Services	Net Cost of Services
Regular programs	\$45.5	\$42.8
Special education programs	13.6	12.6
School administration	5.1	5.0
Plant services	8.7	8.4
Food service operations	6.0	1.3
Subtotal	78.9	70.1
All others	25.2	19.8
Total	\$104.1	\$89.9



## The School Board Funds

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it and it may also give the reader more insight into the School Board's overall financial health.

The School Board's governmental funds had a fund balance of \$98,154,694. This is an increase of \$17,561 over the previous year's fund balance. The primary reasons for the change are:

The General Fund is the principal operating fund of the School Board. The fund balance in the General Fund increased by \$3 million or 55 percent. This is probably the largest increase in the General Fund's fund balance in many years, if not ever. The large increase in fund balance was due to an increase in revenues of \$12.2 million in 4 areas. Revenues increased in the areas of ad valorem taxes by \$3.0 million, sales taxes by \$1.2 million, interest on investments by \$2.6 million, and the state MFP funding by \$5.2 million. Even though we incurred additional costs for salaries and for providing additional instruction and instructional material and supplies to prepare our students for the Louisiana Educational Assessment Program (LEAP) and IOWA tests, we were able to keep our expenditures down.

Fund balances of the Special Revenue Funds increased by \$7.8 million. The West Ouachita Sales Tax Fund represented the majority of this increase with an increase in fund balance of \$5.1 million. The fund balance in the fund increased substantially because the sales tax collections are not currently being used. The funds are being held in reserve to supplement the construction projects currently in process in the West Ouachita Bond District.

The Capital Projects Funds had a decrease in fund balance of \$11.8 million. The School Board sold \$73 million in bonds in the fiscal year 1998-99 and \$15 million in the current fiscal year. The School Board is in the process of constructing 8 new schools and renovating 30 others.

The Debt Service Funds increased their fund balance by \$1.2 million as 25 additional mills were levied in the East Ouachita Bond District to fund the new bond issues.

## General Fund Budgetary Highlights

The School Board in accordance with state law must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15. In accordance with state law the

before it is legally required to amend the budget. The School Board adopted its 1999-00 budget on September 9, 1999, and revised the budget on June 6, 2000. There were no major changes in the amended budget from the original budget as both revenue and expenditures were increased in the amended budget by approximately \$350,000 or .4 percent.

Revenues in the 1990-00 budget, as compared to the 1998-99 budget, were increased by \$5.8 million. This increase is due almost totally to the State's increasing the Minimum Foundation Program funds. This year's budgeted expenditures included \$365,000 additional funds for textbooks and \$60,000 for instructional materials to better prepare the students for the Louisiana Educational Assessment Program (LEAP) and IOWA test. The School Board also provided \$800,000 for additional teachers in the budget to lower the pupil teacher ratio in the schools. The budget included \$177,000 additional funding for summer school to remediate students that did not pass the LEAP test as mandated by State law. The budget provided funds to purchase 20 buses. This is the first time the General Fund has been able to purchase buses. Normally buses are purchased through the District # 1 Sales Tax Special Revenue Fund. Other areas that were increased in the 1990-00 budget were State group health insurance by \$675,000 and sabbatical leave pay by \$160,000. Other than these anticipated changes in budgeted revenues and expenditures, there were no unexpected large revenue or expenditure items.



## Capital Assets and Debt Administration

### Capital Assets

At June 30, 2000 the School Board had \$85.8 million invested in land, buildings and improvements, furniture and equipment, and construction in progress, net of depreciation. Capital assets increased by \$32.6 million or 61.5 percent during the current fiscal year. Capital assets increased by such a large amount due to the major construction and renovation projects in progress. It is presently estimated that the construction projects will cost approximately \$127 million. To date, \$37.6 million has been capitalized on the projects. The projects are expected to be completed within the next 4 years. The only other significant addition to capital assets during the fiscal year was the purchase of 20 buses. Table 4 presents capital assets net of depreciation at June 30, 2000.

**Table 4**  
**Capital Assets at Year-end**  
**Net of Depreciation**  
**Governmental Activities**

	<u>2000</u>	<u>1999</u>
Land	\$4,168,327	\$2,994,511
Buildings and improvements	43,446,277	38,398,314
Furniture and equipment	9,710,078	9,135,183
Construction in progress – buildings	<u>28,435,721</u>	<u>2,585,932</u>
Total	<u>\$85,760,403</u>	<u>\$53,113,940</u>

**Debt**

At June 30, 2000, the school board had \$102,220,000 in bonds outstanding. Of the \$102,220,000 bonds outstanding, \$3,660,000 are due within one year. Table 5 summarizes bonds outstanding at June 30, 2000.

**Table 5**  
**Outstanding Debt**  
**June 30, 2000**  
**Governmental Activities**

	<u>2000</u>	<u>1999</u>
General obligation bonds:		
1991 West Ouachita – School improvements	\$14,725,000	\$16,630,000
1999 East Ouachita – School improvements	28,000,000	28,000,000
2000 East Ouachita – School improvements	15,000,000	-
Revenue bonds:		
1998 West Ouachita – School improvements	24,495,000	25,000,000
1999 West Ouachita – School improvements	<u>20,000,000</u>	<u>20,000,000</u>
Total	<u>\$102,220,000</u>	<u>\$89,630,000</u>

The 1991 West Ouachita general obligation bond's proceeds were used to construct one high school and make renovations to the other 20 schools in the West Ouachita Bond District. The bonds will be paid out in 2006.

The proceeds of the 1999 and 2000 East Ouachita Bond District general obligation bonds are currently being used to construct 2, seventh through twelfth grade schools in the district and to make renovations to the 10 other schools in the district.



The proceeds of the 1998 and 1999 West Ouachita Bond District revenue bonds are currently being used to construct 2 elementary schools and 3 middle schools. The bond proceeds will also be used to make renovations to the 20 other schools in the district.

The state limits the amount of general obligation debt that school boards can issue to 35 percent of the assessed value of all taxable property within the School Board's corporate limits. At June 30, 2000 East Ouachita Bond District's maximum legal debt limit was \$46,929,108. The District's outstanding general obligation bonded debt of \$43 million is below the maximum debt limit. West Ouachita Bond District's maximum debt limit was \$81,555,937. The District at June 30, 2000 had outstanding general obligation debt of \$14,725,000, which was also well below the maximum debt limit. The School Board does not presently anticipate issuing any general obligation bonds in either district in the near future.

In September 2000, the West Ouachita Bond District issued \$10 million in revenue bonds to supplement the construction cost in the district.

The district received an A rating on the most recent issuances of general obligation bonds.

Other long-term obligations of the School Board include accrued vacation pay and sick leave. We present more detailed information about our long-term obligations in Notes 2.M. and 11 to the basic financial statements.



#### **For the Future**

The Ouachita Parish School Board is strong financially. The fund balance of the General Fund continues to grow. As stated previously, this year the increase in the fund balance was the largest in memory. As projected by our 2000-01 budget, the fund balance should continue to increase during the 2000-01 fiscal year. The fund balance should continue to increase as the result of our main revenue sources (State MFP, ad valorem and sales taxes) increasing during the 2000-01 fiscal year. Our state MFP funding is partially based on student count. Our student count increased by over 200 students in the 2000-01 fiscal year. This year was a reassessment year for property taxes. Property values increased substantially, which means additional revenue from our ad valorem taxes. The economy of the parish is very good in the construction area, which influences our sales tax revenues. Recently, the tax-exempt status of 2 large plants expired and they are currently paying sales tax.

Even though the revenue side of our financial equation appears to be bright, there are some negatives on the expenditure side. The Ouachita Parish School Board participates in the State managed health care program. The School Board's portion of the premium is approximately \$5 million. The health program has had increases the last 3 consecutive

years of approximately 10% per increase. The program plans another increase in January 2001. This is the only large expenditure item that is anticipated to increase significantly in the foreseeable future. We feel that other expenditure areas such as salaries will continue a slow increase. Salaries will increase as we attempt to lower student teacher ratio in order to better prepare our children for the high stakes testing. Also, special education teachers will continue to increase to meet required demands.

As discussed previously, the Ouachita Parish School System is currently undertaking the largest construction project in the School Board's history. When this project is completed, we will have some of the best facilities in the state to educate our children; thus, aiding in the reduction of overcrowding in our schools. We feel that a good learning environment is crucial to helping students reach their educational potential. Overall, we feel that the future of Ouachita Parish School Board is good financially as well as educationally.



#### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Richie Garrett, Business Manager of Ouachita Parish School Board, P.O. Box 1642, Monroe, LA 71210-1642 or call at (318) 388-2711 or E-mail to [garrett@mail.opsb.net](mailto:garrett@mail.opsb.net).



**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2000**

**BASIC FINANCIAL STATEMENTS**

**Ouachita Parish School Board  
Monroe, Louisiana**

***Fiscal Year Ended June 30, 2000***

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Statement of Net Assets  
Governmental Activities**

**June 30, 2000**

**Assets:**

Cash and cash equivalents (Note 3)	\$39,492,332
Investments (Note 4)	65,825,111
Receivables (Note 6)	8,213,610
Inventory (Note 2.I.)	123,201
Capital assets, net (Note 7):	
Land	4,168,327
Buildings and improvements	43,446,277
Furniture and equipment	9,710,078
Construction in progress	28,435,721
Total assets	<u>199,514,657</u>

**Liabilities:**

Accounts payable	4,244,887
Salaries and wages payable	9,068,487
Deferred revenues	190,382
Claims liability - self insurance (Note 2.R.)	397,636
Interest payable - bonds	2,011,109
Retainage payable - construction contracts	1,100,902
Long-term liabilities:	
Due within one year (Note 11)	3,900,000
Due in more than one year (Note 11)	101,892,514
Total liabilities	<u>122,805,917</u>

**Net assets:**

Invested in capital assets, net of related debt (Note 7)	51,899,977
Contributed capital	1,468,336
Restricted for:	
Encumbrances	292,046
Debt service	8,732,322
Capital projects	54,324,143
Inventory	16,839
Salaries and related benefits	4,020,431
Unrestricted:	
Designated for:	
Instructional cost	2,437,436
Capital improvements and facilities acquisition	16,634,874
Mandated costs	947,892
Restoration of salary reductions	812,479
Maintenance and operation	575,460
Self-insurance claims	229,832
Undesignated (deficit)	(65,683,326)
Total net assets	<u>\$76,708,741</u>

See accompanying notes.

Ouachita Parish School Board  
Monroe, Louisiana

Statement of Activities  
Governmental Activities

Fiscal Year Ended June 30, 2000

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
EXPENSES				
Functions/programs:				
Current				
Instructional services:				
Regular programs	\$45,509,667	\$ -	\$2,743,214	\$ -
Special education programs	13,604,226	-	875,826	141,946
Vocational programs	709,474	-	30,563	191,747
Other instructional programs	1,935,694	-	786,860	363,760
Special programs	3,339,997	-	1,102,668	71,329
Adult/continuing education	343,731	-	381,359	4,008
Support services:				
Pupil support services	2,718,885	-	213,501	-
Instructional staff support services	2,772,775	-	1,738,112	31,609
General administration	1,733,687	-	3,636	-
School administration	5,064,817	-	96,650	-
Business services	1,935,331	-	226,917	-
Plant services	8,690,263	-	278,604	1,244
Student transportation services	4,064,861	-	70,808	-
Central services	1,331,777	-	3,090	-
Noninstructional services:				
Food service operations	6,034,439	1,479,211	3,226,247	-
Community service programs	39,787	-	36,428	-
Facility acquisition and construction	1,637,421	-	11,079	117,954
Debt service -				
Interest on long-term obligations	2,618,582	-	-	-
Total Governmental Activities	<u>\$104,085,414</u>	<u>\$1,479,211</u>	<u>\$11,825,562</u>	<u>\$923,597</u>
General revenues:				
Taxes:				
Ad valorem taxes levied for general purposes				7,756,957
Ad valorem taxes levied for debt service purposes				5,485,873
Sales taxes levied for general purposes				9,002,540
Sales taxes levied for salaries and related benefits				17,830,466
State revenue sharing				769,481
Grants and contributions not restricted to specific programs:				
Minimum Foundation Program				59,000,500
Sixteenth section land				1,263
Interest and investment earnings				4,950,921
Other				1,717,205
Special items:				
Sale of assets				86,007
Gain (loss) on disposal of assets				(75,491)
Proceeds from bond sales				15,000,000
Accrued interest on bonds sold				153,558
Total general revenues and special items				<u>121,679,280</u>
Changes in net assets				<u>31,822,236</u>
Net assets at beginning of year				<u>44,886,505</u>
Net assets at end of year				<u>\$76,708,741</u>

See accompanying notes

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2000**

**FUND FINANCIAL STATEMENTS (FFS)**



**Ouachita Parish School Board  
Monroe, Louisiana**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2000**

	GENERAL FUND	SUPPLEMENTAL SALARIES SALES TAX		WEST OUACHITA SALES TAX	DISTRICT #1 SALES TAX
		1%	.5%		
<b>Assets:</b>					
Cash and cash equivalents (Note 3)	\$8,020,933	\$2,279,106	\$487,633	\$11,381,126	\$6,104,648
Investments (Note 4)	3,639,432	-	-	1,434,553	-
Receivables (Notes 5 and 6):					
Ac valorem taxes	548,612	-	-	-	-
Sales and use taxes	-	1,556,352	1,083,531	1,178,109	794,520
Earnings on investments	36,555	-	-	68,236	-
Federal grants	59,020	-	-	-	-
Other	128,316	-	-	-	-
Due from other funds (Note 12)	3,498,536	-	-	-	-
Inventory (Note 2.1.)	-	-	-	-	-
<b>Total assets</b>	<b>\$15,931,404</b>	<b>\$3,835,458</b>	<b>\$1,571,164</b>	<b>\$14,062,024</b>	<b>\$6,899,168</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$158,961	\$-	\$-	\$-	\$78,537
Salaries and wages payable	6,857,844	884,235	501,956	-	49,974
Due to other funds (Note 12)	305,843	-	-	-	-
Deferred revenues	-	-	-	-	-
<b>Total liabilities</b>	<b>7,322,648</b>	<b>884,235</b>	<b>501,956</b>	<b>-</b>	<b>128,511</b>
<b>Fund balances:</b>					
Reserved for encumbrances	160,269	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Reserved for inventory	-	-	-	-	-
Reserved for salaries and related benefits	-	2,951,223	1,069,208	-	-
Unreserved:					
Designated for instructional costs	-	-	-	-	1,914,962
Designated for capital improvements and facilities acquisition	-	-	-	14,062,024	98,503
Designated for mandated costs	-	-	-	-	2,680,613
Designated for restoration of salary reductions	-	-	-	-	2,076,579
Designated for maintenance and operation	-	-	-	-	-
Unreserved reported in:					
General Fund	8,448,487	-	-	-	-
Special Revenue Funds	-	-	-	-	-
<b>Total fund balances</b>	<b>8,608,756</b>	<b>2,951,223</b>	<b>1,069,208</b>	<b>14,062,024</b>	<b>6,770,657</b>
<b>Total liabilities and fund balances</b>	<b>\$15,931,404</b>	<b>\$3,835,458</b>	<b>\$1,571,164</b>	<b>\$14,062,024</b>	<b>\$6,899,168</b>

See accompanying notes.

TITLE I	EAST OUACHITA	EAST OUACHITA NO. 2	WEST OUACHITA	WEST OUACHITA NO.2	OTHER GOVERNMENTAL	TOTAL
\$ -	\$ 1,169,396	\$ -	\$ -	\$ -	\$9,965,167	\$39,408,009
-	22,370,730	14,941,628	8,136,564	13,390,723	-	63,913,630
-	-	-	-	-	305,822	854,434
-	-	-	-	-	-	4,612,512
-	-	-	-	-	134,955	239,746
946,645	-	-	-	-	1,010,143	2,015,808
-	-	-	-	-	362,794	491,110
319,170	-	-	-	-	153,566	3,971,272
-	-	-	-	-	123,201	123,201
<u>\$1,265,815</u>	<u>\$23,540,126</u>	<u>\$14,941,628</u>	<u>\$8,136,564</u>	<u>\$13,390,723</u>	<u>\$12,055,648</u>	<u>\$115,629,722</u>
\$47,969	\$759,069	\$405,242	\$700,997	\$1,954,330	\$139,782	\$4,244,887
252,162	-	-	-	-	522,316	9,068,487
958,587	-	1,087,115	419,456	226,912	973,359	3,971,272
7,097	-	-	-	-	183,285	190,382
<u>1,265,815</u>	<u>759,069</u>	<u>1,492,357</u>	<u>1,120,453</u>	<u>2,181,242</u>	<u>1,818,742</u>	<u>17,475,028</u>
-	-	-	131,777	-	-	292,046
-	-	-	-	-	8,732,322	8,732,322
-	22,781,057	13,449,271	6,884,334	11,209,481	-	54,324,143
-	-	-	-	-	16,839	16,839
-	-	-	-	-	-	4,020,431
-	-	-	-	-	-	1,914,962
-	-	-	-	-	-	14,160,527
-	-	-	-	-	-	2,680,613
-	-	-	-	-	-	2,076,579
-	-	-	-	-	575,460	575,460
-	-	-	-	-	-	8,448,487
-	-	-	-	-	912,285	912,285
-	22,781,057	13,449,271	7,016,111	11,209,481	10,236,906	98,154,694
<u>\$1,265,815</u>	<u>\$23,540,126</u>	<u>\$14,941,628</u>	<u>\$8,136,564</u>	<u>\$13,390,723</u>	<u>\$12,055,648</u>	<u>\$115,629,722</u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
Fiscal Year Ended June 30, 2000**

Total fund balances -- governmental funds	\$98,154,694
---	--------------

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs is reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$146,660,701	
Interest during construction less interest earned on capital projects during the fiscal year.	3,979,194	
Accumulated depreciation	<u>(64,879,492)</u>	85,760,403

Elimination of interfund assets and liabilities

Interfund assets	(3,971,272)	
Interfund liabilities	<u>3,971,272</u>	-

Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities -- both current and long term -- are reported in the Statement of Net Assets.

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
Fiscal Year Ended June 30, 2000**

Balances at June 30, 2000 are:

Long-term liabilities:

Compensated absences payable	(\$3,572,514)	
General Obligation bonds payable	(57,725,000)	
Revenue bonds payable	(44,495,000)	
Interest payable	<u>(2,011,109)</u>	(\$107,803,623)

The School Board self-insures for general liability and worker's compensation. Funds to meet these liabilities are deposited in an Internal Service Fund. The Internal Service Fund net assets at June 30, 2000, are as follows:

Cash and cash equivalents	\$84,323	
Investments	2,011,481	
Claims liability	<u>(397,635)</u>	1,698,169

Retainages on construction projects are not reported in the Governmental Funds as they do not require the use of current financial resources. Retainages have been reported as a liability in the Statement of Net Assets.

(1,100,902)

**Net Assets**

**\$76,708,741**

See accompanying notes.

(concluded)

Ouachita Parish School Board  
Monroe, Louisiana

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

Fiscal Year Ended June 30, 2000

	GENERAL FUND	SUPPLEMENTAL SALARIES SALES TAX		WEST OUACHITA SALES TAX	DISTRICT #1 SALES TAX	TITLE I	EAST OUACHITA
		1%	.5%				
<b>REVENUES</b>							
Local sources:							
Ad valorem taxes (Note 5)	\$7,756,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	9,002,540	6,523,470	6,889,656	4,417,340	-	-
Earnings on investments	1,186,830	31,254	70,448	629,419	176,387	-	949,382
Cash payments for meals	-	-	-	-	-	-	-
Other	1,321,974	-	-	-	391,665	1,790	3,500
State sources:							
State equalization	58,198,312	-	-	-	-	-	-
Revenue sharing	769,481	-	-	-	-	-	-
Professional Improvement Program	709,185	-	-	-	-	-	-
State contribution for teacher retirement (Note 8)	87,805	-	-	-	-	-	-
Restricted grants-in-aid	201,462	-	-	-	-	-	-
Federal sources:							
Federal programs	129,722	-	-	-	-	-	-
Other federal support	-	-	-	-	-	3,290,775	-
Total revenues	<u>70,361,728</u>	<u>9,033,794</u>	<u>6,593,918</u>	<u>7,519,075</u>	<u>4,985,392</u>	<u>3,292,565</u>	<u>952,882</u>
<b>EXPENDITURES</b>							
Current:							
Instructional services:							
Regular programs	33,673,516	4,772,558	4,162,986	-	765,835	-	-
Special education programs	9,867,579	1,581,704	1,207,323	-	-	-	-
Vocational programs	419,580	52,592	46,594	-	1,098	-	-
Other instructional programs	974,967	33,397	-	-	132,519	-	-
Special programs	-	-	-	-	-	2,170,902	-
Adult/continuing education	27,500	-	-	-	-	-	-
Support services:							
Pupil support services	2,002,080	230,516	179,538	-	162,551	-	-
Instructional staff support services	916,177	62,916	3,968	-	1,503	857,642	-
General administration	1,562,922	6,387	-	-	-	-	-
School administration	4,301,212	423,719	313,922	-	-	-	-
Business services	1,551,154	84,739	18,879	-	-	111,614	-
Plant services	6,275,937	490,364	235,230	-	1,526,055	140,927	-
Student transportation services	4,077,202	457,414	194,100	-	29,543	1,633	-
Central services	1,362,482	45,840	-	-	-	-	-
Noninstructional services:							
Food service operations	262,638	430,511	151,566	-	-	-	-
Community service programs	3,359	-	-	-	-	-	-
Facility acquisition and construction	117,954	-	-	-	565,909	9,847	5,745,097
Debt service (Note 11):							
Principal	-	-	-	-	-	-	-
Interest	8,175	-	-	442	-	-	-
Total expenditures	<u>67,404,434</u>	<u>8,672,657</u>	<u>6,514,106</u>	<u>442</u>	<u>3,185,073</u>	<u>3,292,565</u>	<u>5,745,097</u>
Excess (deficiency) of revenues over expenditures	<u>2,957,294</u>	<u>361,137</u>	<u>79,812</u>	<u>7,518,633</u>	<u>1,800,319</u>	<u>-</u>	<u>(4,792,215)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from bond sales	-	-	-	-	-	-	-
Accrued interest on bond sales	-	-	-	-	-	-	-
Operating transfers in (Note 14)	263,876	-	-	-	-	-	-
Operating transfers out (Note 14)	(291,815)	-	-	(2,449,860)	-	-	-
Total other financing sources (uses)	<u>(27,939)</u>	<u>-</u>	<u>-</u>	<u>(2,449,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEMS</b>							
Proceeds from sale of assets	<u>86,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>3,015,362</u>	<u>361,137</u>	<u>79,812</u>	<u>5,068,773</u>	<u>1,800,319</u>	<u>-</u>	<u>(4,792,215)</u>
Fund balances at beginning of year	<u>5,593,394</u>	<u>2,590,086</u>	<u>989,396</u>	<u>8,993,251</u>	<u>4,970,338</u>	<u>-</u>	<u>27,573,272</u>
Fund balances at end of year (Note 13)	<u>\$8,608,756</u>	<u>\$2,951,223</u>	<u>\$1,069,208</u>	<u>\$14,062,024</u>	<u>\$6,770,657</u>	<u>\$ -</u>	<u>\$22,781,057</u>

See accompanying notes.



EAST OUACHITA NO. 2	WEST OUACHITA	WEST OUACHITA NO.2	OTHER GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ -	\$5,485,873	\$13,242,830
-	-	-	-	26,833,006
11,628	964,538	693,034	238,001	4,950,921
-	-	-	1,479,211	1,479,211
-	8,269	-	94,170	1,821,368
-	-	-	802,188	59,000,500
-	-	-	-	769,481
-	-	-	-	709,185
-	-	-	-	87,805
-	-	-	1,397,512	1,598,974
-	-	-	2,910,650	3,040,372
-	-	-	3,919,148	7,209,923
11,628	972,807	693,034	16,326,753	120,743,576

-	-	-	55,398	43,430,293
-	-	-	927,282	13,583,888
-	-	-	219,305	739,169
-	-	-	967,271	2,108,154
-	-	-	1,173,997	3,344,899
-	-	-	381,109	408,609
-	-	-	130,262	2,704,947
-	-	-	894,475	2,736,681
-	-	-	155,491	1,724,800
-	-	-	-	5,038,853
-	-	-	111,937	1,878,323
-	-	74,995	138,921	8,882,429
-	-	-	66,909	4,826,801
-	-	-	-	1,408,322
-	-	-	5,103,716	5,948,431
-	-	-	36,428	39,787
1,562,357	14,137,936	7,984,058	41,309	30,164,527
-	-	-	2,410,000	2,410,000
-	-	-	4,578,050	4,586,667
1,562,357	14,137,936	8,059,053	17,391,860	135,965,580
(1,550,729)	(13,165,129)	(7,366,019)	(1,065,107)	(15,222,004)

15,000,000	-	-	-	15,000,000
-	-	-	153,558	153,558
-	-	-	2,477,799	2,741,675
-	-	-	-	(2,741,675)
15,000,000	-	-	2,631,357	15,153,558

-	-	-	-	86,007
13,449,271	(13,165,129)	(7,366,019)	1,566,250	17,561
-	20,181,240	18,575,500	8,670,656	98,137,133
\$13,449,271	\$7,016,111	\$11,209,481	\$10,236,906	\$98,154,694

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities  
Fiscal Year Ended June 30, 2000**

Total net change in fund balances -- Governmental Funds	\$17,561
---	----------

Amounts reported for governmental activities in the  
Statement of Activities are different because:

Capital outlays are reported in Governmental Funds as  
expenditures. However, in the Statement of Activities,  
the cost of those assets is allocated over their estimated  
useful lives as depreciation expense. This is the amount  
by which capital outlays exceed depreciation in the  
period:

Capital Outlays	\$32,800,916	
Depreciation	<u>(3,689,028)</u>	29,111,888

Capital Assets nor depreciation are reported in the Governmental Funds. In the Statement of Net Assets capital assets and depreciation are reported. When an asset is disposed of that is not fully depreciated it results in a loss on the disposal of the asset in the Statement of Net Assets unless sales proceeds are received which are in excess of carrying value. During the current fiscal year the School Board had a loss on disposal of capital assets of \$75,491.	(75,491)
---	----------

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	2,410,000
--	-----------

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances to the Statement of Activities  
Fiscal Year Ended June 30, 2000**

In the Statement of Activities, certain operating expenses- compensated absences (vacations and sick leave) -- are measured by the amounts earned during the year. In the Governmental Funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$744,679) exceeded the amounts used (\$235,774) by \$508,905. (508,905)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expenses is recognized as the interest accrues, regardless of when it is due. (2,011,109)

Interest during construction less interest earned on capital projects during the fiscal year. 3,979,194

Retainages on construction projects are not reported in the Governmental Funds. Retainages have been reported as an expense in the Statement of Activities. (1,100,902)

Change in net assets of governmental activities. \$31,822,236

See accompanying notes.

(concluded)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund  
Statement of Net Assets**

**June 30, 2000**

**(With Comparative Totals for June 30, 1999)**

	<u>2000</u>	<u>1999</u>
<b>Assets</b>		
Cash and cash equivalents	\$84,323	\$ -
Investments	2,011,481	1,680,167
Receivables	-	537
Total assets	<u>2,095,804</u>	<u>1,680,704</u>
<b>Liabilities</b>		
Due to other funds	-	203,597
Claims liability	397,636	211,633
Total liabilities	<u>397,636</u>	<u>415,230</u>
<b>Net Assets</b>		
Contributed capital	1,468,336	1,468,336
Net assets (deficit) - designated	229,832	(202,862)
Total net assets	<u>\$1,698,168</u>	<u>\$1,265,474</u>

*See accompanying notes.*

**Ouachita Parish School Board  
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund  
Comparative Statement of Revenues, Expenses  
and Changes in Net Assets**

**Fiscal Year Ended June 30, 2000**

	<u>2000</u>	<u>1999</u>
<b>Operating revenue</b>		
Charges for services	\$785,000	\$485,000
Insurance proceeds from losses	5,175	-
Total operating revenue	<u>790,175</u>	<u>485,000</u>
 <b>Operating expenses</b>		
Self-insurance claims and insurance premiums	<u>455,828</u>	<u>290,097</u>
 Operating income	 334,347	 194,903
 <b>Nonoperating revenues</b>		
Earnings on investments	<u>98,347</u>	<u>53,012</u>
 Net income	 432,694	 247,915
 Net Assets (deficit) at beginning of year	 <u>(202,862)</u>	 <u>(450,777)</u>
Net Assets (deficit) at end of year	<u>\$229,832</u>	<u>(\$202,862)</u>

*See accompanying notes.*



**Ouachita Parish School Board  
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund  
Comparative Statement of Cash Flows**

**Fiscal Year Ended June 30, 2000**

	<u>2000</u>	<u>1999</u>
<b>Cash flows from operating activities:</b>		
Payments from self-insurer	\$785,537	\$484,694
Insurance proceeds	5,175	-
Claims and premiums paid	(473,423)	(111,972)
Net cash provided by operating activities	<u>317,289</u>	<u>372,722</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments, net	(331,313)	(1,680,167)
Earnings on investments	98,347	53,012
Net cash used by investing activities	<u>(232,966)</u>	<u>(1,627,155)</u>
Net increase (decrease) in cash and cash equivalents	84,323	(1,254,433)
Cash and cash equivalents at beginning of year	-	1,254,433
Cash and cash equivalents at end of year	<u>\$ 84,323</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income	\$334,347	\$194,903
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in receivables	537	(306)
Increase (decrease) in payables	(17,595)	178,125
Net cash provided by operating activities	<u>\$317,289</u>	<u>\$372,722</u>

*See accompanying notes.*

Ouachita Parish School Board  
Monroe, Louisiana

Fiduciary Fund - Agency Funds  
Statement of Net Assets

June 30, 2000

(With Comparative Totals for June 30, 1999)

	<u>2000</u>	<u>1999</u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$2,340,547</u>	<u>\$2,048,559</u>
<b>Liabilities</b>		
Amounts held for others	<u>\$2,340,547</u>	<u>\$2,048,559</u>

See accompanying notes.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements  
Fiscal year ended June 30, 2000**

**INDEX**

NOTE 1 - General Information .....	35
NOTE 2 - Summary of Significant Accounting Policies .....	35
A. Financial Reporting Entity .....	35
B. Fund Accounting .....	36
Government Funds .....	36
Proprietary Fund .....	36
Fiduciary Fund .....	37
C. Basis of Accounting/Measurement Focus.....	37
Government-Wide Financial Statements (GWFS).....	37
Fund Financial Statements (FFS).....	38
D. Encumbrances .....	39
E. Cash and Cash Equivalents .....	39
F. Investments .....	39
G. Short-Term Interfund Receivables/Payables.....	40
H. Elimination and Reclassification .....	40
I. Inventory.....	40
J. Capital Assets .....	40
K. Deferred Revenues .....	41
L. Interfund Transactions (Fund Financial Statements) .....	41
M. Compensated Absences.....	41
N. Long-Term Liabilities.....	42
O. Restricted Net Assets.....	42
P. Reserves and Designations of Fund Financial Statements .....	43
Q. Sales and Use Tax.....	43
R. Self Insurance .....	44
S. Use of Estimates.....	45
NOTE 3 - Cash and Cash Equivalents .....	45
NOTE 4 - Investments.....	46
NOTE 5 - Ad Valorem Taxes .....	47
NOTE 6 - Receivables.....	48
NOTE 7 - Capital Assets .....	49
NOTE 8 - Retirement Systems .....	50
A. Teachers' Retirement System of Louisiana (TRS).....	50
B. Louisiana School Employees' Retirement System (LSERS) .....	51
NOTE 9 - Other Post Employment Benefits .....	52

(continued)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (concluded)  
Fiscal Year Ended June 30, 2000**

**INDEX (concluded)**

NOTE 10 – Agency Fund Deposits Due Others (FFS level only) .....	52
NOTE 11 – General Long-term Obligations.....	53
NOTE 12 – Interfund Assets/Liabilities (FFS level only) .....	56
NOTE 13 – Litigation and Contingencies.....	56
NOTE 14 – Interfund Transfers (FFS level only) .....	57
NOTE 15 – Subsequent Events .....	57

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements  
Fiscal year ended June 30, 2000**

**1. General Information**

The Ouachita Parish School Board (School Board) is a corporate body created under Louisiana Revised Statutes 17:51. A board consisting of seven publicly elected members, each representing a separate legally established district, is charged with the management and operation of the school system.

The school system is composed of a central office, 30 schools and 9 support facilities. Student enrollment as of April 2000 was approximately 17,083. The School Board employs approximately 2,463 persons, of which 1,400 are directly involved in the instructional process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation and food service. The regular school term normally begins during the middle of August and runs until the latter half of May.

**2. Summary of Significant Accounting Policies**

The accompanying financial statements of the School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. Financial Reporting Entity**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Certain units of local government, such as other independently elected officials, the parish police jury and municipalities, are excluded from the accompanying financial statements. These units have their own elected governing authorities and are not financially accountable to the School Board.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting**

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The School Board uses the following fund categories and fund types.

**Governmental Funds:**

*General Fund* - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* - Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* - Debt Service Funds account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

*Capital Projects Funds* - Capital Projects Funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Proprietary Fund:**

*Internal Service Fund* - The Internal Service Fund accounts for the financing of services provided by one fund to other funds of the School Board. The Self Insurance Fund, which purchases an insurance policy and accounts for third-party administrative costs and claims, is reported as an internal service fund.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

**Fiduciary Fund:**

*Agency Funds* - The Agency Funds account for assets held by the School Board in a trustee capacity or as an agent for individuals, private or school organizations, other governmental units and/or other funds. The School Activity Funds and Migrant Funds of other parishes are reported as Agency Funds.

**C. Basis of Accounting/Measurement Focus**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

**Program revenues**

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

**Allocation of indirect expenses**

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but is reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements (FFS)**

**Governmental Funds**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Proprietary Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. With regard to proprietary activities, the School Board has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued since November 30, 1989, unless they are adopted by the GASB.

Governmental and agency funds are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Such revenue items are ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable and are recognized in the calendar year of the tax levy. Sales and use taxes are considered measurable and available when collected by the vendors. Revenue from state and federal grants are recorded when the reimbursable expenditures have been incurred.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

**D. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund. For GAAP purposes, *encumbrances outstanding at year-end in the General Fund are reported as reservations of fund balance for subsequent year expenditures. However, for budgetary purposes these encumbrances are recorded as expenditures.*

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in interest-bearing demand deposits, bank certificates of deposit, as well as short-term investments with a maturity date within three months of the date acquired. Bank certificates of deposit are stated at cost, which is the same as fair value. Short-term investments are stated at cost, which approximates fair value.

Cash balances of all of the School Board's funds, except for the Payroll Account, are pooled into one master bank account with the School Board's fiscal agent bank. The Payroll Account is maintained in a separate account.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate "book" cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, "Due to Other Funds." The balance of these amounts will be paid primarily through collections of grants receivable reimbursements from the Federal and State Departments of Education.

**F. Investments**

State statutes govern the investment policies of the School Board. The Ouachita Parish School Board is authorized to invest in U. S. Government securities, certificates of deposit, interest-bearing demand deposits and other allowable short-term obligations including short-term repurchase agreements. These are classified as investments if their original maturities exceed 90

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

days. Investments are carried at fair value pursuant to the provisions of GASB Statement No. 31.

**G. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet.

**H. Elimination and Reclassifications**

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**I. Inventory**

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. Inventory is stated at average cost using the first-in, first-out (FIFO) basis. Inventory consists of commodities and purchased food held for consumption. Purchased food inventory in the governmental funds is equally offset by a fund balance reserve which shows that this inventory does not constitute "available spendable resources" even though it is a component of total assets. Commodities inventory of \$106,362 is reported as deferred revenue, leaving a reserved fund balance of \$16,839 for purchased food.

**J. Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Furniture and equipment	5-15 years



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

Public domain (infrastructure) general fixed assets (e.g. parking lots, sidewalks, and other assets that are immovable and of value only to the government) were capitalized as part of the construction cost of the buildings. Interest during construction was not capitalized on capital assets prior to July 1, 1999. However, as permitted by GASB Statement No. 34, capitalization of interest cost will be applied prospectively. For the fiscal year ended June 30, 2000, the School Board capitalized, net of interest earned on unexpended bond proceeds, \$3,979,194 of bond interest.

**K. Deferred Revenues**

The School Board reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when the School Board receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**L. Interfund Transactions (Fund Financial Statements - FFS)**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**M. Compensated Absences**

All 12-month employees earn from 10 to 15 days of annual leave each year depending on length of service with the School Board. Annual leave is credited at the beginning of each fiscal year and a maximum of five days can be accumulated and carried forward into a new fiscal year. Upon termination of employment, unused annual leave up to 20 days is paid to employees at the employees' current rates of pay.

All school employees earn ten days of sick leave each year. Sick leave may be accumulated without limitations. Upon retirement, unused accumulated sick leave of up to 25 days is paid to

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

employees at the employees' current rates of pay. The accrual recorded for earned sick leave is based on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, accumulated sick leave is used in the retirement benefit computation as earned service.

Sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expenditure in the year claimed. Sick and vacation leave accrued as of the end of the fiscal year is valued using employees' current rates of pay. Neither the School Board nor the employees are required to contribute to the retirement system for sick and annual leave payments. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire.

**N. Long-Term Liabilities**

Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**O. Restricted Net Assets**

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

**P. Reserves and Designations of Fund Financial Statements**

Portions of fund equity are reserved for future use and are, therefore, not available for future appropriation or expenditure. Designations of unreserved fund balances indicate the School Board's tentative plans for the use of financial resources in a future period.

**Q. Sales and Use Tax**

The voters of Ouachita Parish have authorized the collection of four sales and use taxes for the benefit of the School Board. The first of these is a .5% sales and use tax levied and collected jointly by the City of Monroe School Board and the Ouachita Parish School Board. The net proceeds of the tax are to be allocated and prorated between the two school boards annually on the basis of average daily membership for the preceding school year. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes:

Eighty-eight percent of the revenues received by the School Board are to be used for the payment of the salaries of teachers, as defined by the Louisiana State Department of Education.

Twelve percent of the revenues received by the School Board are to be used for the payment of salaries to designated personnel, other than teachers.

The second of these taxes is an additional 1% sales and use tax levied and collected by the School Board only, and is to be used exclusively to supplement other revenue available to the School Board for the purpose of teacher and School Board employees' salaries and benefits.

The third of these taxes is an additional .5% sales and use tax levied and collected by the School Board only. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes:

Thirty-eight percent of the revenues received by the School Board are to be used for capital improvements and facility and equipment support.

Thirty-six percent of the revenues received by the School Board are to be used for classroom instruction.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

Fourteen percent of the revenues received by the School Board are to be used for the payment of mandated costs.

Twelve percent of the revenues received by the School Board are to be used to restore salary reductions.

The fourth of these is an additional 1% sales and use tax levied and collected by the West Ouachita Parish School Bond District for a period of 27 years starting in 1998. The tax proceeds are to be used for constructing, acquiring, improving, equipping, furnishing, maintaining, and/or operating schools and school related facilities in the district, with the proceeds of the tax being subject to funding into bonds for capital improvements.

**R. Self-Insurance**

The School Board is self-insured for workers' compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. The School Board has an excess insurance policy, which covers individual workers' compensation claims and occurrences in excess of \$150,000 up to an aggregate maximum of \$1,000,000. The School Board has not historically had claims which exceed its aggregate maximum.

Expenses related to these plans are recognized in the Self-Insurance Internal Service Fund as claims are incurred. A liability for unpaid and incurred but not reported claims is based on the School Board's known claims and its previous experience. A third-party administrator who processes and investigates claims, pays valid claims and estimates the liabilities for unpaid claims manages the workers' compensation plan. School Board personnel manage the remaining plans.

During fiscal year 2000, total expenses for claims and insurance premiums related to the self-insurance plans were \$455,828. The School Board's activity in claims liability for fiscal years 2000 and 1999 was:

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**2. Summary of Significant Accounting Policies (continued)**

	<u>2000</u>	<u>1999</u>
Claims liability at beginning of the year	\$211,633	\$237,105
Incurred claims and provision for incurred but not reported	442,214	231,044
Claims payments	<u>(256,211)</u>	<u>(256,516)</u>
Claims liability at the end of the year	<u>\$397,636</u>	<u>\$211,633</u>

**S. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**3. Cash and Cash Equivalents**

At year-end, the book balances of the School Board's deposits (including bank certificates of deposit) were \$14,258,570 and the bank balances were \$20,521,331. Of the bank balances, \$400,000 was covered by federal depository insurance and \$20,121,331 was covered by collateral held by the trust department of agents of the pledging financial institutions in the School Board's name. Securities that may be pledged as collateral are obligations of the United States Government and its agencies, and obligations of the State of Louisiana and its municipalities and school districts. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**3. Cash and Cash Equivalents (continued)**

At June 30, 2000, the School Board held short-term investments whose market values approximated their recorded costs. These investments (Category 2), all of which are government-backed securities and are held in the School Board's name, are considered to be cash equivalents, and are held as follows:

Securities held by Paine Webber	\$14,509,221
Securities held by Hibernia Investment Securities, Inc.	4,959,380
Securities held by Banc One Capital Markets, Inc.	3,265,161
Securities held in Louisiana Asset Management Pool	2,500,000
	<u>\$25,233,762</u>

Individual funds with significant book cash deficit balances at June 30, 2000 were as follows:

<u>Fund</u>	<u>(Cash Deficit) Balance</u>
Special Revenue Funds:	
8G Innovative Grant	(\$14,231)
IDEA-B – 101- 476	(118,699)
Title I	(526,250)
Even Start Family Literacy	(147,762)
Other Federal Programs	(298,895)
State Grants	(121,325)
Capital Projects Fund:	
East Ouachita No. 2	(1,087,115)
West Ouachita	(419,456)
West Ouachita No. 2	(226,912)
Total	<u>(\$2,960,645)</u>

**4. Investments**

The School Board's investments are categorized as uninsured and unregistered for which the securities are held by the financial institution trust department or agent in the School Board's name (GASB Category 2). The investments are carried at fair value as follows:

Paine Webber	\$15,222,030
Trust Company of La.	37,312,358
Banc One Investment Advisors, Inc.	<u>13,390,723</u>
	<u>\$65,925,111</u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**5. Ad Valorem Taxes**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property, which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provides that land and residential property are to be assessed at 10% of fair market value; however, agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years.

The School Board is permitted by constitutional and statutory authority of the State to levy taxes up to \$29.70 per \$1,000 of assessed valuation for operations other than the payment of principal and interest on long-term debt. This is the amount which was levied for fiscal 2000.

The School Board was authorized by the citizens of the East Ouachita Bond District and the West Ouachita Bond District to levy taxes sufficient enough to pay the annual principal and interest on the general obligation bonds. The School Board levied 25.0 mills and 19.3 mills in 2000 for the East Ouachita and West Ouachita Bond Districts, respectively.

The Sheriff of Ouachita Parish, as provided by State law, is the official tax collector of general property taxes levied by the School Board. The 2000 property tax calendar was as follows:

Millage rates adopted	July 6, 1999
Levy date	November 3, 1999
Tax bills mailed	November 3, 1999
Due date	December 31, 1999
Lien date	January 1, 2000

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**5. Ad Valorem Taxes (continued)**

All property taxes are recorded in the General and Debt Service Funds on the basis explained in Note 2.C. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

**6. Receivables**

The receivables of \$8,213,610 at June 30, 2000 were as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
Taxes:				
Ad valorem	\$548,612	\$ —	\$305,822	\$854,434
Sales and use		4,612,512	-	4,612,512
Earnings on Investments	36,555	68,236	134,955	239,746
Grants:				
Federal	59,020	1,956,788	-	2,015,808
State	63,430	334,017	-	397,447
Local	-	26,751	-	26,751
Other	64,886	2,026	-	66,912
Total	<u>\$772,503</u>	<u>\$7,000,330</u>	<u>\$440,777</u>	<u>\$8,213,610</u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**7. Capital Assets**

The changes in capital assets were as follows:

	Balance July 1, 1999	Additions	Transfers and Deletions	Balance June 30, 2000
Governmental activities:				
Land	\$2,994,511	\$1,173,816	\$ -	\$4,168,327
Buildings and improvements	86,233,093	6,727,652	-	92,960,745
Furniture and equipment	22,490,868	3,028,853	(444,619)	25,075,102
Construction in progress - buildings	2,585,932	28,435,721	(2,585,932)	28,435,721
Total	<u>114,304,404</u>	<u>39,366,042</u>	<u>(3,030,551)</u>	<u>150,639,895</u>
Less accumulated depreciation:				
Buildings and improvements	(47,834,779)	(1,679,689)	-	(49,514,468)
Furniture and equipment	(13,721,466)	(2,009,339)	365,781	(15,365,024)
Total accumulated depreciation	<u>(61,556,245)</u>	<u>(3,689,028)</u>	<u>365,781</u>	<u>(64,879,492)</u>
Governmental activities Capital assets, net	<u>\$52,748,159</u>	<u>\$35,677,014</u>	<u>(\$2,664,770)</u>	<u>\$85,760,403</u>

Depreciation expense was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$2,799,582
Special education programs	55,728
Other instructional programs	185,556
Special programs	160,774
Adult/continuing education	82,154
Support services:	
Instructional staff support services	36,533
Business services	69,396
Plant services	83,824
Student transportation services	143,337
Non-instructional services - Food service operations	<u>72,144</u>
Total depreciation expense	<u>\$3,689,028</u>

During the 1998-99 and 1999-00 fiscal years, the School Board entered into contracts totaling \$19,354,497 and \$39,053,317, respectively, to construct 4 new schools and to make repairs and renovations to twelve schools. The construction is estimated to take four years. Work completed during 1998-99 and 1999-00 on the contracts totaling \$2,585,932 and \$28,435,721,



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**7. Capital Assets (continued)**

respectively, was capitalized as construction in progress - buildings. At June 30, 2000, the School Board had \$1,100,902 in retainages on the construction in progress, which will be paid at the completion of the projects in approximately 1 to 4 years. The retainages have not been included on the June 30, 2000, balance sheet of the Fund Financial Statements, as they will not be paid from available spendable resources.

**8. Retirement Systems**

In 1996, the School Board adopted Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The School Board had no pension liability or asset at the effective date of the transition.

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Teachers' Retirement System of Louisiana (TRS)**

**Plan Description:**

The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The School Board participates in two of the membership plans — the Regular Plan and Plan A. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by State statute.

The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**8. Retirement Systems (continued)**

**Funding Policy:**

Plan members are required to contribute 8.0% and 9.1% of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The School Board's contribution rate of annual covered payroll for the membership plans for the years ended June 30, 2000, 1999, and 1998, were 15.2%, 16.5%, and 16.4%, respectively. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ending June 30, 2000, 1999, and 1998, were \$8,143,195, \$8,868,885, and \$8,246,865, respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LSERS)**

**Plan Description:**

The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**Funding Policy:**

Plan members are required to contribute 6.35% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The School Board's contribution rate of annual covered payroll for the membership plans for the years ended June 30, 1999 and 1998 was 6%. For the year ended June 30, 2000, the School Board was not required to contribute to the LSERS. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's contributions to the LSERS for the years ending June 30, 1999 and 1998, were \$340,707 and \$323,503, respectively, equal to the required contributions for each year.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**9. Other Post Employment Benefits**

As permitted by Louisiana Revised Statutes, the School Board provides certain continuing health care and life insurance benefits for certain retired employees through the State group insurance plan. Retired School Board employees are eligible for these benefits if they reached normal retirement age, as defined under the applicable retirement system (see Note 8), while working for the School Board. The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as expenditure when the monthly premiums are due. The cost of retiree benefits totaled \$1,766,996 during fiscal 2000; approximately 806 retirees receive benefits under this plan.

The School Board offers a deferred compensation plan for part-time and substitute employees under the provision of Internal Revenue Service Code 457 (Deferred Compensation Plan).

Employees contribute up to 7.5% of their compensation to the Deferred Compensation Plan. The School Board does not contribute to the Deferred Compensation Plan. At June 30, 2000, the Plan

had assets with an approximate market value of \$332,845. The assets in the Plan are held in trust solely for the benefit of participants and their beneficiaries. Therefore, in accordance with GASB Statement No. 32 they are not reported in the School Board's financial statements.

**10. Agency Fund Deposits Due Others (FFS level only)**

A summary of changes in agency fund deposits due others follows:

	<b>Balance July 1, 1999</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2000</b>
Agency Funds:				
School Activity	\$2,048,559	\$6,897,530	(\$6,605,542)	\$2,340,547
Migrant Funds of Other Parishes	-	32,436	(32,436)	-
Total	<u>\$2,048,559</u>	<u>\$6,929,966</u>	<u>(\$6,637,978)</u>	<u>\$2,340,547</u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**11. General Long-Term Obligations**

The general obligation bonds are obligations of East Ouachita Bond and West Ouachita Bond Districts, with maturities from 2001 to 2025 and interest rates from 4.5% to 7.0%. General obligation bonds' principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the respective taxing districts. In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the total assessed value of all property in the taxing district. During 1999-00 the East Ouachita Parish Bond District issued \$15 million in general obligation bonds, with maturities from 2002-2025 and interest rates from 5.2% to 7.0%. The bonds are funded by ad valorem taxes in the East Ouachita Bond District. At June 30, 2000, the statutory limit and debt margins are as follows:

	<b>East Ouachita Bond</b>	<b>West Ouachita Bond</b>	<b>Total</b>
Assessed Value	\$134,083,165	\$233,016,964	\$367,100,129
35% of assessed value	\$46,929,108	\$81,555,937	\$128,485,045
Outstanding General Obligation Bonds	(43,000,000)	(14,725,000)	(57,725,000)
Debt Margin	\$3,929,108	\$66,830,937	\$70,760,045

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**11. General Long-Term Obligations (continued)**

The following shows the changes in general obligation bonds and revenue bonds:

Original Issue	Outstanding July 1, 1999	Borrowings	Payments	Outstanding June 30, 2000	Interest Rate on Unpaid Debt	Total Future Interest
General obligation bonds:						
4.7%-6.7% issued 9/1/91; due 2000-2006	\$16,630,000	\$ -	(\$1,905,000)	\$14,725,000	6.30%-6.7%	\$3,603,200
4.5%-6.0% issued 3/1/99; due 2001-2024	28,000,000	-	-	28,000,000	4.50%-6.0%	20,585,208
5.2%-7.0% issued 3/1/00, due 2002-2025	-	15,000,000	-	15,000,000	5.20%-7.0%	13,804,857
Total general obligation bonds	44,630,000	15,000,000	(1,905,000)	57,725,000		37,993,265
Revenue bonds:						
4.25 %-7.0% issued 9/1/98; due 2000-2023	25,000,000	-	(505,000)	24,495,000	4.25%-7.0%	17,002,332
4.5 %-6.0% issued 4/1/99; due 2000-2023	20,000,000	-	-	20,000,000	4.50%-6.0%	13,859,990
Total revenue bonds	45,000,000	-	(505,000)	44,495,000		30,862,322
Total all bonds	\$89,630,000	\$15,000,000	(\$2,410,000)	\$102,220,000		\$68,855,587



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**11. General Long-Term Obligations (continued)**

Principal and interest are due in total, to maturity, as follows:

<b>Year Ended June 30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total</b>
2001	\$3,660,000	\$5,373,759	\$9,033,759
2002	4,205,000	5,153,534	9,358,534
2003	4,460,000	4,910,784	9,370,784
2004	4,750,000	4,654,496	9,404,496
2005	5,045,000	4,370,454	9,415,454
2006-2010	16,605,000	18,086,419	34,691,419
2011-2015	17,525,000	14,076,169	31,601,169
2016-2020	22,435,000	9,266,279	31,701,279
2021-2025	<u>23,535,000</u>	<u>2,963,693</u>	<u>26,498,693</u>
Total	<u>\$102,220,000</u>	<u>\$68,855,587</u>	<u>\$171,075,587</u>

The following is a summary of governmental activities long-term obligation transactions for the year ended June 30, 2000:

	<b>Compensated Absences</b>	<b>Bonded Debt</b>	<b>Total</b>
Long-term obligations at July 1, 1999	\$3,063,609	\$89,630,000	\$92,693,609
Additions	744,679	15,000,000	15,744,679
Deductions (compensated absences-net)	<u>(235,774)</u>	<u>(2,410,000)</u>	<u>(2,645,774)</u>
Long-term obligations at June 30, 2000	<u>\$3,572,514</u>	<u>\$102,220,000</u>	<u>\$105,792,514</u>
Amounts due within one year	<u>\$240,000</u>	<u>\$3,660,000</u>	<u>\$3,900,000</u>

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. Payments on the revenue bonds payable that pertain to the School Board's governmental activities are funded by transfers from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund. The compensated absences liability attributable to the governmental activities will be liquidated by the School Board's General Fund.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (continued)  
Fiscal year ended June 30, 2000**

**12. Interfund Assets/Liabilities (FFS level only)**

Individual balances due from/to other funds at June 30, 2000 were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$3,498,536	\$305,843
Special Revenue Funds-		
Title I	319,170	958,587
Capital Projects Funds:		
East Ouachita No. 2	-	1,087,115
West Ouachita	-	419,456
West Ouachita No. 2	-	226,912
Nonmajor Funds		
Special Revenue Funds:		
8-G Innovative Grant	-	14,231
IDEA-B 101-476	23,804	170,162
Even Start Family Literacy	7,070	180,238
Other Federal Programs	41,697	457,552
State Grants	71,148	147,220
Local Grants	9,847	3,956
Total	<u>\$3,971,272</u>	<u>\$3,971,272</u>

**13. Litigation and Contingencies**

The School Board is a defendant in several lawsuits. Management for the School Board believes that the potential claims against the School Board not covered by insurance have been adequately accrued at June 30, 2000, and therefore, would not materially affect the School Board's financial position. See Note 2.R. for discussion of the School Board's accounting policy for its self-insurance plans.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Basic Financial Statements (concluded)  
Fiscal year ended June 30, 2000**

**14. Interfund Transfers (FFS level only)**

Operating transfers for the year ended June 30, 2000 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$263,876	\$291,815
Special Revenue Funds -		
West Ouachita Sales Tax	-	2,449,860
State Grants:		
Special Projects -		
Gifted	27,939	--
Debt Service Funds -		
West Ouachita Bond No. 2	2,449,860	--
Total	<u>\$2,741,675</u>	<u>\$2,741,675</u>

**15. Subsequent Events**

The West Ouachita Bond District sold \$10 million in revenue bonds on September 27, 2000. The bonds have a maturity period of 24 years and will be funded by the West Ouachita Sales Tax Special Revenue Fund. The bond proceeds will be used to help complete the construction projects currently in process.

On December 8, 2000 the School Board refinanced the West Ouachita Bond District's \$13.5 million outstanding 1991 general obligation bonds. The refinancing reduced the interest rate from 6.40% through 6.70% to 4.72%. This will result in actual interest savings of \$626,000 over the next five years to the taxpayers in the District.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Fiscal Year Ended June 30, 2000**

**REQUIRED SUPPLEMENTAL  
INFORMATION  
(PART B)**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Budgetary Comparison Schedule  
Fiscal Year Ended June 30, 2000**

**General Fund and Major Special Revenue Funds  
With Legally Adopted Budgets**

**General Fund**

The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

**Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes. These funds, for the most part, are established for specific educational purposes and funded through the U. S. Department of Education or the Louisiana State Department of Education. The School Board is centrally located in Northeast Louisiana and acts as a regional fiscal agent for the State Department of Education for many educational programs.

**Supplemental Salaries Sales Tax Funds**

The 1% Sales Tax Fund is established to collect, record, and disburse funds for the payment of supplementary salaries and benefits to School Board personnel. The fund is used to pay a determined amount on a monthly basis with any remaining balance disbursed on December 31 with a supplemental check.

The .5% Sales Tax Fund is set up to collect, record, and disburse funds for the payment of supplemental salaries to School Board personnel. Employees share in the following percentage: certified personnel—88%, and noncertified personnel—12% of total collections. The fund is used to pay this salary supplement on a monthly basis with any remaining balance disbursed on June 30 with a supplemental check.

**West Ouachita Sales Tax Fund**

The West Ouachita Sales Tax Fund accounts for the collection and disbursement of a 1% sales tax in the West Ouachita Parish Bond District. The tax is for a 27 year period starting in January 1998 and going through December 2025. The tax can be used for constructing, maintaining, and operating schools in the West Ouachita Parish Bond District.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Budgetary Comparison Schedule (continued)  
Fiscal Year Ended June 30, 2000**

**General Fund and Major Special Revenue Funds With Legally  
Adopted Budgets (continued)**

**Special Revenue Funds (continued)**

**District #1 Sales Tax Fund**

The District #1 Sales Tax Fund is used to collect, record and disburse funds related to the .5% sales tax passed in October 1992 to provide additional support for the school system. The School Board designated the tax for capital improvements and facility and equipment support---38%, classroom instruction---36%, mandated costs---14%, and salary restoration---12%.

**Title I Fund**

Title I is a program for economically and educationally deprived school children, which is Federally financed, State administered and locally operated by the School Board. The Title I services are provided through various projects which are designated to meet the special needs of educationally deprived children. The activities supplement, rather than replace, State and local mandated activities.



**Ouachita Parish School Board  
Monroe, Louisiana**

**General Fund  
Budgetary Comparison Schedule (Non-GAAP Basis)**

**Fiscal Year Ended June 30, 2000**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Budgetary fund balance at beginning of year</b>	<u>\$5,458,611</u>	<u>\$5,593,394</u>	<u>\$5,593,394</u>	<u>\$ -</u>
<b>Resources (inflows)</b>				
Local sources:				
Ad valorem taxes:				
Constitutional tax	1,270,000	1,270,000	1,371,214	101,214
Renewable tax	6,050,000	5,900,000	6,385,743	485,743
Other than school taxes	250,000	250,000	270,744	20,744
Earnings on investments	950,000	954,650	1,186,830	232,180
Other local revenue	569,700	774,667	1,051,230	276,563
Total local sources	<u>9,089,700</u>	<u>9,149,317</u>	<u>10,265,761</u>	<u>1,116,444</u>
State and federal sources:				
State equalization	57,563,936	58,197,965	58,198,312	347
State revenue sharing	898,475	898,475	769,481	(128,994)
Professional Improvement Program	847,185	681,516	709,185	27,669
Restricted grants-in-aid	477,825	191,100	331,184	140,084
State contribution for teacher retirement	-	100,000	87,805	(12,195)
Total state and federal sources	<u>59,787,421</u>	<u>60,069,056</u>	<u>60,095,967</u>	<u>26,911</u>
Other sources:				
Proceeds from sales of assets	3,000	3,000	86,007	83,007
Transfers from other funds	154,500	-	263,876	263,876
Total other sources	<u>157,500</u>	<u>3,000</u>	<u>349,883</u>	<u>346,883</u>
Amounts available for appropriations	<u>74,493,232</u>	<u>74,814,767</u>	<u>76,305,005</u>	<u>1,490,238</u>

(Continued)

See accompanying notes.

Ouachita Parish School Board  
Monroe, Louisiana

General Fund  
Budgetary Comparison Schedule (Non-GAAP Basis)

Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>Charges to appropriations (outflows)</b>				
Current:				
Instructional services:				
Regular programs:				
Salaries:				
Kindergarten teachers	\$1,921,317	\$1,992,419	\$1,710,999	\$281,420
Elementary teachers	15,100,268	15,144,608	14,974,181	170,427
Secondary teachers	6,934,100	6,927,941	6,863,450	64,491
Aides	29,445	49,800	45,169	4,631
Substitute teachers	540,000	450,000	502,643	(52,643)
Sabbatical leave	672,879	698,397	699,493	(1,096)
Instructional supplies	773,757	793,834	631,761	162,073
Textbooks	718,818	795,000	836,557	(41,557)
Employee benefits	7,317,300	7,383,805	7,283,222	100,583
Other expenditures	249,400	221,400	148,211	73,189
Total regular programs	<u>34,257,284</u>	<u>34,457,204</u>	<u>33,695,686</u>	<u>761,518</u>
Special education programs				
Salaries:				
Teachers	6,370,250	6,405,534	6,349,856	55,678
Aides	1,185,000	1,170,000	1,145,403	24,597
Sabbatical leave	281,500	144,770	142,899	1,871
Employee benefits	1,968,097	2,044,193	2,174,142	(129,949)
Other expenditures	168,869	112,229	55,279	56,950
Total special education programs	<u>9,973,716</u>	<u>9,876,726</u>	<u>9,867,579</u>	<u>9,147</u>
Vocational programs:				
Salaries	283,276	337,612	326,627	10,985
Materials and supplies	150	1,200	1,018	182
Employee benefits	72,848	87,250	90,681	(3,431)
Other expenditures	4,300	3,500	1,254	2,246
Total vocational programs	<u>360,574</u>	<u>429,562</u>	<u>419,580</u>	<u>9,982</u>

(Continued)

Ouachita Parish School Board  
Monroe, Louisiana

General Fund  
Budgetary Comparison Schedule (Non-GAAP Basis)

Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>Charges to appropriations (outflows)</b>				
<b>(Continued)</b>				
Current (continued):				
Instructional services (continued):				
Other instructional programs (e.g., ROTC, band, etc.):				
Salaries	\$568,200	\$551,284	\$628,920	(\$77,636)
Equipment	68,100	115,600	217,546	(101,946)
Employee benefits	45,600	117,090	98,795	18,295
Other expenditures	62,773	51,100	44,566	6,534
Total other instructional programs	744,673	835,074	989,827	(154,753)
Adult/continuing education programs:				
Salaries	23,626	26,289	23,498	2,791
Materials and supplies	-	100	119	(19)
Employee benefits	31,647	1,950	3,288	(1,338)
Other expenditures	73,000	1,000	595	405
Total adult/continuing education programs	128,273	29,339	27,500	1,839
Total instructional services	45,464,520	45,627,905	45,000,172	627,733
Support services:				
Pupil support services:				
Salaries	1,528,622	1,562,648	1,536,873	25,775
Materials and supplies	21,500	26,000	34,790	(8,790)
Employee benefits	361,170	381,350	382,815	(1,465)
Other expenditures	19,350	71,050	48,227	22,823
Total student support services	1,930,642	2,041,048	2,002,705	38,343
Instructional staff services:				
Salaries	469,676	597,252	595,553	1,699
Sabbatical leave	-	49,583	54,187	(4,604)
Materials and supplies	49,800	22,100	103,295	(81,195)
Employee benefits	109,404	144,925	142,594	2,331
Other expenditures	111,692	119,750	20,548	99,202
Total instructional staff services	740,572	933,610	916,177	17,433

(Continued)

Ouachita Parish School Board  
Monroe, Louisiana

General Fund  
Budgetary Comparison Schedule (Non-GAAP Basis)

Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>Charges to appropriations (outflows)</b>				
<b>(Continued)</b>				
Current (continued):				
Support services (continued):				
General administration:				
Salaries	\$193,041	\$202,398	\$202,215	\$183
Legal services	92,000	180,000	202,134	(22,134)
Audit services	45,000	37,000	37,270	(270)
Insurance - liability, etc.	897,027	1,052,174	852,525	199,649
Tax assessment and collection services	215,190	227,351	229,605	(2,254)
Employee benefits	27,883	24,550	27,120	(2,570)
Other expenditures	41,320	12,870	12,053	817
Total general administration	<u>1,511,461</u>	<u>1,736,343</u>	<u>1,562,922</u>	<u>173,421</u>
School administration:				
Salaries:				
Principals	2,586,042	2,638,608	2,621,163	17,445
School secretaries and clerks	676,450	670,000	656,337	13,663
Sabbatical leave	101,315	174,286	162,416	11,870
Employee benefits	579,351	810,300	844,995	(34,695)
Other expenditures	12,700	17,200	16,301	899
Total school administration	<u>3,955,858</u>	<u>4,310,394</u>	<u>4,301,212</u>	<u>9,182</u>
Business services:				
Salaries:				
Fiscal services	183,270	235,300	379,897	(144,597)
Purchasing services	64,902	70,920	70,853	67
Warehousing and distribution services	152,700	150,500	161,458	(10,958)
Printing and graphic art services	144,131	151,995	159,333	(7,338)
Materials and supplies	111,750	128,200	137,106	(8,906)
Employee benefits	388,311	158,200	161,810	(3,610)
Other expenditures	444,798	558,700	537,072	21,628
Total business services	<u>1,489,862</u>	<u>1,453,815</u>	<u>1,607,529</u>	<u>(153,714)</u>

(Continued)

Ouachita Parish School Board  
Monroe, Louisiana

General Fund  
Budgetary Comparison Schedule (Non-GAAP Basis)

Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget		
Charges to appropriations (outflows) (Continued)				
Current (continued):				
Support services (continued):				
Plant services:				
Salaries	\$2,703,712	\$2,709,335	\$2,698,863	\$10,472
Materials and supplies	444,322	445,329	447,709	(2,380)
Equipment	276,200	310,000	282,979	27,021
Telephone	204,000	207,992	239,831	(31,839)
Utilities	1,715,000	1,563,114	1,584,701	(121,587)
Energy management	153,250	194,100	149,548	44,552
Insurance - property	111,197	111,197	111,197	-
Employee benefits	441,809	328,150	349,256	(21,106)
Other expenditures	343,424	369,803	315,813	53,990
Total plant services	<u>6,392,914</u>	<u>6,239,020</u>	<u>6,279,897</u>	<u>(40,877)</u>
Student transportation services:				
Salaries:				
Transportation supervision	88,268	82,419	82,394	25
Bus drivers	1,741,101	1,630,000	1,533,254	96,746
Bus aides	190,700	184,100	187,760	(3,660)
Mechanics	254,000	252,650	225,206	27,444
Substitute bus driver	65,630	92,450	91,525	925
Fleet insurance	99,904	114,000	115,918	(1,918)
Buses	500	905,000	904,960	40
Materials and supplies	299,000	335,100	366,332	(31,232)
Gasoline and diesel	227,000	310,000	297,941	12,059
Employee benefits	344,817	232,250	250,878	(18,628)
Other expenditures	289,313	28,960	21,876	7,084
Total student transportation services	<u>3,600,233</u>	<u>4,166,929</u>	<u>4,078,044</u>	<u>88,885</u>
Central services:				
Salaries	469,313	508,655	516,367	(7,712)
Materials and supplies	57,600	62,400	87,326	(24,926)
Equipment	519,432	550,150	451,252	98,898
Equipment maintenance	467,400	480,000	36,482	443,518
Employee benefits	109,925	111,702	117,635	(5,933)
Other expenditures	9,290	13,500	214,857	(201,357)
Total central services	<u>1,632,960</u>	<u>1,726,407</u>	<u>1,423,919</u>	<u>302,488</u>
Total support services	<u>21,254,502</u>	<u>22,607,566</u>	<u>22,172,405</u>	<u>435,161</u>

(Continued)



Ouachita Parish School Board  
Monroe, Louisiana

General Fund  
Budgetary Comparison Schedule (Non-GAAP Basis)

Fiscal Year Ended June 30, 2000

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget		
Charges to appropriations (outflows) (Continued)				
Noninstructional services:				
Food service operations	\$44,740	\$282,705	\$262,638	\$20,067
Community service operations	9,114	3,275	3,359	(84)
Facility acquisition and construction	-	315,000	117,954	197,046
Total noninstructional services	<u>53,854</u>	<u>600,980</u>	<u>383,951</u>	<u>217,029</u>
Debt Service:				
Principal	-	-	-	-
Interest	-	-	8,175	(8,175)
Total debt service	<u>-</u>	<u>-</u>	<u>8,175</u>	<u>(8,175)</u>
Transfers to other funds	<u>182,439</u>	<u>182,439</u>	<u>291,815</u>	<u>(109,376)</u>
Total charges to appropriations	<u>66,955,315</u>	<u>69,018,890</u>	<u>67,856,518</u>	<u>1,162,372</u>
Budgetary fund balance at end of year	<u>\$7,537,917</u>	<u>\$5,795,877</u>	<u>\$8,448,487</u>	<u>\$2,652,610</u>

(Concluded)

**Ouachita Parish School Board  
Monroe, Louisiana**

**Special Revenue Fund -  
Supplemental Salaries Sales Tax - 1%  
Budgetary Comparison Schedule (GAAP Basis)**

**Fiscal Year Ended June 30, 2000**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>Budgetary fund balance at beginning of year</b>	<u>\$ -</u>	<u>\$2,590,086</u>	<u>\$2,590,086</u>	<u>\$ -</u>
<b>Resources (inflows)</b>				
Local sources:				
Sales and use taxes	8,700,000	9,090,000	9,002,540	(87,460)
Earnings on Investments	30,000	35,000	31,254	(3,746)
Total local sources	<u>8,730,000</u>	<u>9,125,000</u>	<u>9,033,794</u>	<u>(91,206)</u>
Amounts available for appropriations	<u>8,730,000</u>	<u>11,715,086</u>	<u>11,623,880</u>	<u>(91,206)</u>
<b>Charges to appropriations (outflows)</b>				
Current:				
Instructional services:				
Regular programs	4,550,000	4,798,627	4,772,558	26,069
Special education programs	1,500,000	1,590,252	1,581,704	8,548
Vocational programs	41,700	53,829	52,592	1,237
Other instructional programs	31,100	37,016	33,397	3,619
Support services:				
Pupil support services	217,200	236,178	230,516	5,662
Instructional staff support services	52,700	65,096	62,916	2,180
General administration	6,100	7,055	6,387	668
School administration	400,000	465,234	423,719	41,515
Business services	84,000	85,509	84,739	770
Plant services	462,000	505,058	490,364	14,694
Student transportation services	440,000	459,501	457,414	2,087
Central Services	46,000	48,092	45,840	2,252
Noninstructional services -				
Food service operations	443,000	435,436	430,511	4,925
Total charges to appropriations	<u>8,273,800</u>	<u>8,786,883</u>	<u>8,672,657</u>	<u>114,226</u>
<b>Budgetary fund balance at end of year</b>	<u><u>\$456,200</u></u>	<u><u>\$2,928,203</u></u>	<u><u>\$2,951,223</u></u>	<u><u>\$23,020</u></u>

See accompanying notes.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Special Revenue Fund -  
Supplemental Salaries Sales Tax - .5%  
Budgetary Comparison Schedule (GAAP Basis)**

**Fiscal Year Ended June 30, 2000**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>Budgetary fund balance at beginning of year</b>	<u>\$ -</u>	<u>\$989,396</u>	<u>\$989,396</u>	<u>\$ -</u>
<b>Resources (inflows)</b>				
Local Sources:				
Sales and use taxes	6,450,000	6,550,000	6,523,470	(26,530)
Earnings on investments	30,000	58,000	70,448	12,448
Total local sources	<u>6,480,000</u>	<u>6,608,000</u>	<u>6,593,918</u>	<u>(14,082)</u>
Amounts available for appropriations	<u>6,480,000</u>	<u>7,597,396</u>	<u>7,583,314</u>	<u>(14,082)</u>
<b>Charges to appropriations (outflows)</b>				
Current:				
Instructional services:				
Regular programs	4,000,000	4,164,029	4,162,986	1,043
Special education programs	1,140,000	1,230,000	1,207,323	22,677
Vocational programs	37,500	47,960	46,594	1,366
Other instructional programs	-	-	-	-
Support services:				
Pupil support services	166,000	190,575	179,538	11,037
Instructional staff support services	1,000	5,875	3,968	1,907
School administration	293,500	310,000	313,922	(3,922)
Business services	18,500	23,450	18,879	4,571
Plant services	221,000	287,500	235,230	52,270
Student transportation services	183,500	231,445	194,100	37,345
Noninstructional services -				
Food service operations	158,000	193,000	151,566	41,434
Total charges to appropriations	<u>6,219,000</u>	<u>6,683,834</u>	<u>6,514,106</u>	<u>169,728</u>
<b>Budgetary fund balance at end of year</b>	<u><u>\$261,000</u></u>	<u><u>\$913,562</u></u>	<u><u>\$1,069,208</u></u>	<u><u>\$155,646</u></u>

See accompanying notes.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Special Revenue Fund -  
West Ouachita Sales Tax  
Budgetary Comparison Schedule (GAAP Basis)**

**Fiscal Year Ended June 30, 2000**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>Budgetary fund balance at beginning of year</b>	<u>\$7,963,367</u>	<u>\$8,993,251</u>	<u>\$8,993,251</u>	<u>\$ -</u>
<b>Resources (inflows)</b>				
Local sources:				
Sales and use taxes	6,700,000	7,000,000	6,889,656	(110,344)
Earnings on investments	<u>100,000</u>	<u>609,000</u>	<u>629,419</u>	<u>20,419</u>
Total local sources	<u>6,800,000</u>	<u>7,609,000</u>	<u>7,519,075</u>	<u>(89,925)</u>
Amounts available for appropriations	<u>14,763,367</u>	<u>16,602,251</u>	<u>16,512,326</u>	<u>(89,925)</u>
<b>Charges to appropriations (outflows)</b>				
Noninstructional services -				
Facility acquisition and construction	100,000	-	-	-
Debt Service	-	450	442	8
Transfers to other funds	<u>2,619,192</u>	<u>2,449,860</u>	<u>2,449,860</u>	<u>-</u>
Total charges to appropriations	<u>2,719,192</u>	<u>2,450,310</u>	<u>2,450,302</u>	<u>8</u>
<b>Budgetary fund balance at end of year</b>	<u>\$12,044,175</u>	<u>\$14,151,941</u>	<u>\$14,062,024</u>	<u>(\$89,925)</u>

See accompanying notes.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Special Revenue Fund -  
District #1 Sales Tax  
Budgetary Comparison Schedule (GAAP Basis)**

**Fiscal Year Ended June 30, 2000**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
<b>Budgetary fund balance at beginning of year</b>	<u>\$4,185,970</u>	<u>\$4,970,338</u>	<u>\$4,970,338</u>	<u>\$ -</u>
<b>Resources (inflows)</b>				
Local sources:				
Sales and use taxes	4,400,000	4,500,000	4,417,340	(82,660)
Earnings on investments	100,000	100,000	176,387	76,387
Other	-	-	391,665	391,665
Total local sources	<u>4,500,000</u>	<u>4,600,000</u>	<u>4,985,392</u>	<u>385,392</u>
Amounts available for appropriations	<u>8,685,970</u>	<u>9,570,338</u>	<u>9,955,730</u>	<u>385,392</u>
<b>Charges to appropriations (outflows)</b>				
Current:				
Instructional services:				
Regular programs	1,100,000	900,000	765,835	134,165
Special education programs	-	-	-	-
Vocational programs	-	-	1,098	(1,098)
Other instructional programs	-	-	132,519	(132,519)
Support services:				
Pupil support services	100,000	100,000	162,551	(62,551)
Instructional staff support services	-	-	1,503	(1,503)
Plant services	500,000	700,000	1,526,055	(826,055)
Student transportation services	420,000	450,000	29,543	420,457
Noninstructional services -				
Facility acquisition and construction	500,000	1,130,000	565,969	564,031
Total charges to appropriations	<u>2,620,000</u>	<u>3,280,000</u>	<u>3,185,073</u>	<u>94,927</u>
<b>Budgetary fund balance at end of year</b>	<u>\$6,065,970</u>	<u>\$6,290,338</u>	<u>\$6,770,657</u>	<u>\$480,319</u>

See accompanying notes.



Ouachita Parish School Board  
 Monroe, Louisiana  
  
 Special Revenue Fund -  
 Title I  
 Budgetary Comparison Schedule (GAAP Basis)  
  
 Fiscal Year Ended June 30, 2000

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Budgetary fund balance at beginning of year	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources -				
Federal programs	3,255,757	3,979,128	3,292,565	(686,563)
Amounts available for appropriations	3,255,757	3,979,128	3,292,565	(686,563)
Charges to appropriations (outflows)				
Current:				
Instructional services -				
Special programs	2,078,221	2,631,237	2,170,902	460,335
Support services:				-
Instructional staff support services	938,070	1,038,004	857,642	180,362
Business services	113,380	135,750	111,614	24,136
Plant services	126,086	173,637	140,927	32,710
Student transportation services	-	500	1,633	(1,133)
Noninstructional services -				
Facility acquisition and construction	-	-	9,847	(9,847)
Total charges to appropriations	3,255,757	3,979,128	3,292,565	686,563
Budgetary fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedules  
Fiscal Year Ended June 30, 2000**

**Budget and Budgetary Accounting**

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

In September, the Superintendent submits to the School Board proposed annual appropriated budgets for the General Fund, the Special Revenue Funds, and the Debt Service Funds for the fiscal year commencing the prior July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopts a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.

The General Fund budget is not adopted on a basis consistent with GAAP because encumbrances are budgeted as expenditures of the current year. Unencumbered appropriations in the General Fund lapse at the end of the fiscal year whereas encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.

The Special Revenue Fund and Debt Service Fund budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Funds. All budgets are operational at the departmental or project level. The Superintendent of the School Board is authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions passed during the year were insignificant to the budgets as originally approved.

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedule (continued)  
Fiscal Year Ended June 30, 2000**

**Reconciliation of the Budgetary Basis and the GAAP Basis**

The School Board approves formal budgets for the General Fund, Special Revenue Funds, and Debt Service Funds. With the exception of the General Fund, all budgets are prepared on the GAAP basis. For financial reporting purposes, expenditures are recognized as incurred and encumbrances are not reported as resources used. However, for budgetary reporting purposes in the General Fund, resource uses are recognized when expenditures and encumbrances are incurred. Thus, the General Fund budget is not prepared on the GAAP basis. The following summary reconciles General Fund operations for the year from the budgetary basis to the GAAP basis of reporting.

<b>Revenues</b>	
Revenues on budgetary basis and GAAP basis	\$70,361,728
<b>Expenditures</b>	
Total charges to appropriations on budgetary basis	(67,856,518)
Encumbrances outstanding at June 30, 2000	160,269
<b>Other financing sources</b>	
Operating transfers in	263,876
<b>Special Items</b>	
Proceeds from sale of assets	<u>86,007</u>
Net change in fund balances on GAAP basis	3,015,362
Fund balance—June 30, 1999 on GAAP basis	<u>5,593,394</u>
Fund balance—June 30, 2000 on GAAP basis	<u><u>\$8,608,756</u></u>

**Ouachita Parish School Board  
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedule (concluded)  
Fiscal Year Ended June 30, 2000**

**Expenditures - Budget and Actual**

The following individual funds had actual expenditures over total budgeted appropriations for the year ended June 30, 2000. The variances are disclosed at the legal level of budgetary control as previously described in Notes to Budgetary Comparison Schedule.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable) Variance</u>
Special Revenue Funds -			
Local Grants	\$80,573	\$113,960	(\$33,387)
Debt Service Fund -			
West Ouachita Bond	3,066,365	3,075,201	(8,836)

The excess of actual expenditures over budgeted expenditures in the Local Grants Special Revenue Fund was due to making roof repairs to the Media Center at the end of the fiscal year that were not budgeted. The excess of expenditures in the West Ouachita Bond Debt Service Fund was due to underestimating the pension amount withheld by the tax assessor from ad valorem taxes.





Luffey  
Huffman  
& Monroe

(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA  
Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA  
Carolyn A. Clarke, CPA

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Ouachita Parish School Board  
Monroe, Louisiana**

We have audited the financial statements of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted a certain immaterial instance of noncompliance that we have reported to the School Board in a separate letter dated December 15, 2000.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be

**Ouachita Parish School Board**  
**June 30, 2000**

detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

**December 15, 2000**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

**Ouachita Parish School Board  
Monroe, Louisiana**

**Compliance**

We have audited the compliance of the **Ouachita Parish School Board** (the School Board) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2000. The School Board's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2000.



**Ouachita Parish School Board  
Monroe, Louisiana**

**Internal Control Over Compliance**

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the basic financial statements of the School Board as of and for the year ended June 30, 2000 and have issued our report thereon dated December 15, 2000. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

December 15, 2000

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>C.F.D.A. NUMBER</b>	<b>GRANT NUMBER</b>	<b>DISBURSEMENTS</b>	<b>PROGRAM TOTAL</b>
<b>U.S. DEPARTMENT OF DEFENSE (Direct Program)</b>				
R.O.T.C.	Not Available	Not Available	\$ 129,722	\$ 129,722
<b>Total Direct Programs</b>				<b>129,722</b>
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Passed through Louisiana Department of Education:				
Even Start	84.213C	98-IASA-37ES	67,731	
Even Start 98	84.213C	99-ES-37-F	137,150	
Even Start 99	84.213C	CF1-37-1	745,607	950,488
Homeless	84.196	99-IASA-37-II	63,257	63,257
Title I 98	84.010	2898T1371	345,320	
School Reform	84.010	NONE	50,157	
Title I C/O 2000	84.010	99-IASA-37-1 CO 2000	489,429	
Title I 99	84.010	99-IASA-37-1	377,989	
Title I 2000	84.010	00-T1-37-1	2,598,389	3,861,284
Title VI C/O 2000	84.298A	99-IASA-37-VI-CO2000	11,656	
Title VI 99	84.298A	99-IASA-37-VI	19,289	
Title VI 2000	84.298A	00-00-37-6	88,438	119,383
Class Size Reduction	84.340A	00-01-37-6	375,660	375,660
Migrant 98	84.011	FY-28-98-M-37	7,420	
Migrant 99	84.011	99-IASA-37-M	11,888	
Migrant 2000	84.011	00-M1-37-M	92,544	111,852
<b>SPECIAL EDUCATION CLUSTER:</b>				
IDEA B 98	84.027	98-FT-37	49,113	
IDEA B 99	84.027	99-IB-37-S	502,292	
IDEA B 2000	84.027A	00-B1-37-S	669,922	
Preschool IDEA B 98	84.173A	98-PF-37	5,703	
Preschool IDEA B 99	84.173A	99-PI-37-S	30,782	
Preschool IDEA B 2000	84.173A	00-P1-37	40,809	
Preschool Coordinator 99	84.173A	99-P2-37-S	2,451	
Preschool Coordinator	84.173A	00-P2-37-S	48,683	1,349,755
Title II C/O 2000	84.048A	99-IASA-37-II C/O 2000	26,668	
Title II	84.281A	99-IASA-37-II	4,066	
Title II 2000	84.281A	00-50-37-1	83,066	113,800
Drug Free 99 C/O	84.186A	28-IASA-37-4-CO99	42,117	
Drug Free 99	84.186A	28-IASA-37-IV	3,885	
Drug Free 2000	84.186A	00-70-34-D	109,899	155,901
Infant 99	84.181A	98-II3-37-S-CO99	87,478	
Infant Coordinator 99	84.181A	98-H1-37-S-CO99	1,308	
Infant Coordinator	84.181A	00-H1-37-S	64,750	153,536

(Continued)



**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2000**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>C.F.D.A. NUMBER</b>	<b>GRANT NUMBER</b>	<b>DISBURSEMENTS</b>	<b>PROGRAM TOTAL</b>
Adult Education GM 97	84.002	Not Available	8,546	
Adult Education 99	84.002	99-AE-37-F	64,462	
Adult Education 2000	84.002	00-AE-37-F/00-AES-37-F	148,692	221,700
Vocational 99	84.048A	28-99-VE-37-2BG	57,628	
Vocational 2000	84.048A	SB37/99-00	203,457	261,085
Technology Literacy	84.813X	99-LCG-37-F	27,050	
Technology Literacy	84.813X	00-TLCF-37-F	13,877	40,927
Learn Preservice	84.276A	99-PS-37-L	28,618	
Learn Subgrants	84.276A	Not Available	2,012	30,630
Passed through University of Louisiana at Monroe				
School To Work	84.278E	Not Available	34,316	34,316
<b>Total U.S. Dept. of Education</b>				<b>7,843,574</b>
<b>U.S. DEPARTMENT OF AGRICULTURE (USDA)</b>				
Passed through State Department of Education:				
<b>CHILD NUTRITION CLUSTER:</b>				
School Breakfast Program	10.553	Not Available	716,159	
School Lunch Program	10.555	Not Available	2,194,491	2,910,650
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (USDHHS)</b>				
Passed through Louisiana Department of Education:				
Starting Point	93.575	CFMS54799	61,489	
Starting Point	93.575	CFMS53850	5,838	67,327
<b>TOTAL PASS THROUGH PROGRAMS</b>				<b>10,821,551</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 10,951,273</b>

See Notes to Schedule of Expenditures of Federal Awards

**OUACHITA PARISH SCHOOL BOARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2000**

***Note 1 – Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2000 and is presented on the cash basis of accounting. The cash basis of accounting recognizes revenues when cash is received and expenditures when cash is disbursed. The information on this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements of the School Board. These differences are primarily the result of the timing of recognition of revenues and expenditures between the cash basis of accounting and the modified accrual basis of accounting.

***Note 2 – Noncash Assistance***

In addition to the Federal assistance received as listed on the Schedule of Expenditures of Federal Awards, the School Board received \$370,057 and disbursed \$343,014 of commodities provided by the United States Department of Agriculture for the year ended June 30, 2000.

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**Summary of Auditors Results:**

- 1) The audit report on the Ouachita Parish School Board (the School Board) as of and for the fiscal year ended June 30, 2000 was unqualified;
- 2) No reportable conditions were noted in the audit of the financial statements of the School Board;
- 3) The audit of the financial statements did not disclose instances of noncompliance which are considered to be material to the general purpose financial statements of the School Board;
- 4) No reportable conditions in the internal control over major programs were reported in the audit of the School Board;
- 5) The auditors' report on the School Board's compliance with requirements applicable to each major program was unqualified;
- 6) The audit of the School Board's compliance with requirements applicable to each major program did not disclose any findings required to be reported under the provisions of OMB Circular A-133 Section .510(a);
- 7) Major Federal programs for purposes of the report on compliance with the requirements applicable to each major program were Safe and Drug Free Schools and Communities (Title IV of ESEA, CFDA No. 84.186A); Adult Education (CFDA No. 84.002); the Special Education Cluster (IDEA Part B and IDEA Preschool, CFDA Nos. 84.027 and 84.173); Vocational Education (CFDA No. 84.048; Title VI of ESEA (CFDA No. 20.298); Classroom Based Technology (CFDA No. not available) and Class Size Reduction (CFDA No. 84.340);
- 8) The dollar threshold used to distinguish between Type A and Type B programs was \$359,236; and,
- 9) The School Board qualified as a low-risk auditee under the provisions of OMB Circular A-133 section .530.

**There were no findings related to the financial statements which are required to be reported under Government Auditing Standards:**

**There are no findings or questioned costs for Federal awards, including those specified by OMB Circular A-133.**

**OUACHITA PARISH SCHOOL BOARD  
MONROE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

In connection with our audit of the Ouachita Parish School Board as of and for the year ended June 30, 2000, in accordance with *Government Auditing Standards* we have also reviewed the status of our finding included in our management letter dated December 10, 1999. The following table presents the status of those findings:

<u>Prior Year Finding</u>	<u>Current Year Status</u>
Local Government Budget Act	Management Letter Comment



**Luffey  
Huffman  
& Monroe**

*(A Professional Accounting Corporation)*  
**CERTIFIED PUBLIC ACCOUNTANTS**

John L. Luffey, MBA, CPA  
Francis J. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA  
Carolyn A. Clarke, CPA

## **MANAGEMENT LETTER**

### **Members of the School Board Ouachita Parish School Board Monroe, Louisiana**

In planning and performing our audit of the basic financial statements of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2000, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 15, 2000 on the basic financial statements of the School Board.

### **Compliance with the Local Government Budget Act**

#### **Finding:**

The Local Government Budget Act (the Act) provides the statutory framework for adoption and amendment of operating budgets. Among its provisions is that whenever actual revenues and other sources are falling below budgeted amounts or actual expenditures and other uses are exceeding budgeted amounts, a budget amendment should be adopted to indicate the revision in operating conditions. The threshold for the variances previously mentioned is 5 per cent. In our review of budget to actual comparisons, we noted that the Local Grants Special Revenue Fund's actual expenditures exceeded budgeted amounts by more than 5 per cent.

#### **Recommendation:**

The Business Manager should ensure whenever there is a change in operating circumstances, an amended budget can be prepared and brought to the School Board for review and approval. This will minimize the possibility that noncompliance with the Act will occur.



**Members of the School Board  
Ouachita Parish School Board  
Management Letter  
Page 2**

**Management's Corrective Action Plan:**

The Business Manager will monitor the budget so that expenditures will not exceed budgeted expenditures in the future.

A handwritten signature in black ink, appearing to read "Ruffey, Hoffman & Kenner".

(A Professional Accounting Corporation)

**December 15, 2000**